



**Office of the Attorney General  
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**NEWS RELEASE**

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**ATTORNEY GENERAL ENTERS AGREEMENT WITH CHATTANOOGA GAS,  
MANUFACTURERS, FOR RATEPAYER SAVINGS**

Tennessee Attorney General Bob Cooper, Chattanooga Gas Company and the Chattanooga Manufacturers Association have reached an agreement ultimately saving ratepayers \$2.3 million. The Tennessee Regulatory Authority has unanimously approved the agreement.

Chattanooga Gas Company asked the Tennessee Regulatory Authority (TRA) for a rate increase of \$5.8 million for the delivery of natural gas to its customers. Part of the requested increase, a \$750,000 request by Chattanooga Gas Company involving customer conservation efforts will be handled as a separate phase to be resolved next spring. An additional, \$750,000 of the rate increase is part of an accounting shift related to long term changes in the weather. Taking these amounts into consideration, the utility's requested rate increase totaled \$4.3 million.

Under the terms of the agreement, the rate increase is reduced to \$1.99 million or an average of \$1.92 per month for residential customers. Thus, the settlement reduces the rate increase by 54% with one outstanding issue remaining to be litigated. Although rates for the delivery of natural gas to the customers of Chattanooga Gas Company will increase beginning Jan. 1, 2007, it is the first significant rate increase for Chattanooga Gas Company in 12 years.

"We are pleased to be able to save the Chattanooga ratepayers money while allowing a reasonable profit for the company," Attorney General Cooper said. "Our Consumer Advocate and Protection Division will continue to monitor our state's utilities to ensure Tennesseans pay fair rates."

Rates for the delivery of natural gas by privately owned public utilities are set by the Tennessee Regulatory Authority.